



INVESTIGATIVE REPORT

Lori Torres, Inspector General

OFFICE: OFFICE OF THE ATTORNEY GENERAL
TITLE: CONTINGENCY FEE CONTRACT AMENDMENT
CASE ID: 2014-01-0020
DATE: February 10, 2017

OFFICE OF THE ATTORNEY GENERAL
CONTINGENCY FEE CONTRACT AMENDMENT

After examination and review, Office of Inspector General Chief Legal Counsel, Tiffany Mulligan, reports as follows:

The purpose of this Report is to fulfill the statutory requirements of Ind. Code § 4-6-3-2.5 regarding contingency fee contracts. This statute requires the Inspector General (“IG”) to review contingency fee contracts for possible conflicts of interest and potential ethics code violations. Under this statute, an agency may not enter into a contingency fee contract unless the IG has made a written determination that entering into the contract would not violate the Indiana Code of Ethics set forth in 42 IAC 1-5 (“Code of Ethics”) or any agency rule concerning conflicts of interest.

On February 9, 2017, the Office of the Indiana Attorney General (“OAG”) notified the IG that they wished to amend a contingency fee contract (EDS #A56-4-14-06) with Foote Mielke Chavez & O’Neil, LLC and Rynbrandt & Associates, PLLC. The original contract began on February 10, 2014 and expires on February 10, 2017. As the litigation and legal services that the firms are engaged in is still pending, the OAG would like to extend the term of the contract until February 9, 2019.

The purpose of the original contract, which the IG approved on February 10, 2014, was to pursue a monetary recovery on behalf of the State and other Indiana governmental entities related to an anti-trust matter pending in the Eastern District of Michigan. The OAG explained in their

initial request that participation in the matter may produce a monetary recovery on behalf of the State and other Indiana governmental units as defined in Ind. Code § 34-6-2-110. This matter first arose in January 2013 when the U.S. Department of Justice revealed a criminal investigation into price-fixing and bid rigging in the auto parts industry between 2000 and 2010.

In Inspector General Report #2014-01-0020, dated February 10, 2014, the IG determined that the original contract would not violate the Code of Ethics or any statute or agency rule concerning conflicts of interest. The OAG has represented that they have been satisfied with the services provided by the two law firms. Also, it does not appear that the circumstances that were evaluated by the IG in making her original determination have changed or will be altered by this amendment, as this amendment will only extend the term of the contract. The OAG has indicated that to the best of their knowledge, no one in the OAG has a financial interest in either of the firms, and no one involved with contracting decisions in the OAG works or has relatives who work for the firms. Furthermore, the OAG has represented that no terms, conditions, or material factors have changed since the OAG's original request for approval under Ind. Code § 4-6-3-2.5.

Therefore, the IG determines that entering into this contingency fee contract amendment will not violate the Code of Ethics or any statute or agency rule concerning conflicts of interest. This Report is issued in compliance with the above noted statutory requirements.

Dated: February 10, 2017

APPROVED BY:



Lori Torres, Inspector General